

Appendix 2

Chinese Military-Related Foreign Trade and Investment Corporations

(Source: AFL-CIO Report, "China's People's Liberation Army: Where to Find PLA Companies in America, What Products the PLA Sells in America and Who are the PLA's Customers,")

A Guide to

China's Trade and Investment Organizations



© The *China Business Forum*
the educational and research arm of
The US-China Business Council
June, 1989

Military-Related Foreign Trading Corporations

CHINA NATIONAL AERO-TECHNOLOGY IMPORT/EXPORT CORPORATION (CATIC)

Aegls: Ministry of Aeronautics and
Astronautics (MOAA)

Address: Liang Guochang Jie
Dongchengqu
Beijing

Telex: 22318 AEROT CN

Phone: 442444

Cable: CAID BEIJING

Fax: 4015381

President: Sun Zhaoqing

Executive Vice Presidents: Dong Xiao
Liu Guomin
Tang Xiaoping

Vice Presidents: Sun Lipeng
Wang Dawei
Wu Mingyuan
Zhou Chengchao

Description: Established in 1979 as the foreign trade arm of the former Ministry of Aeronautics, CATIC specializes in exporting aviation industrial products and importing advanced technology and equipment for the aviation industry. It sells aircraft and missiles and is a key player in upgrading domestic aircraft production through technology transfer. CATIC has no factories of its own, but rather acts as an agent for over 200 MOAA factories that manufacture a broad range of domestic and military aircraft and related equipment, such as aero-instruments, electrical equipment, aircraft accessories and engines, and spare parts. In addition, these factories produce a variety of non-aviation-related items such as tools and measuring instruments, precision machinery, hydraulic products, medical equipment, household electrical appliances, and motorcycles and bicycles. CATIC also offers

technical consulting services for foreign countries and provides labor, maintenance, and technical services.

CATIC branch offices are located in Beijing (CATIC Industrial Company and Contract Engineering Projects Company), Guangzhou, Zhuhai, and Shenzhen (Guangdong), Shanghai, and Fuzhou and Xiamen (Fujian).

BUSINESS DEPARTMENTS

Civilian Products Comprehensive Department Handles the financial affairs of civilian products trade and administers the affairs of the branch offices.

Civilian Products Export Department Handles exports of machinery and electronics.

Civilian Products Import Cooperation Department Handles imports of materials for making machinery and electronics equipment.

Sales Department Handles sales of military aircraft.

Import Department Handles imports of equipment for manufacturing military aircraft.

Purchasing Department Handles purchases of materials for manufacturing military aircraft.

Production Line Department Handles exports of production lines.

Science Technology Department Handles imports and exports of technology.

DOMESTIC SUBSIDIARY ORGANIZATIONS

China Aero-Industry Material and
Equipment Trading Corp.

Flow Systems Service Center

Light Aircraft Development Co.

OTHER AFFILIATED ORGANIZATIONS

Chengcheng Industrial Co., Ltd.

China Civil Aviation Journal (publication)China Aviation Forging and Casting
Technology AssociationChina Research Institute of
Aero-AccessoriesTelex: 20040 PHCL CN
Phone: 662494, 664196
Cable: 2495 BeijingPresident: Zhao Xuguang
Vice Presidents: Han Bingde
Song Jiazhi

Description: Established in June 1983, Ping He initially only handled the import and export of weapons, technology and equipment, electronics, and optics. It has since branched out to include trade of products in all industries including the medical, chemical, textile, paper, and metals and minerals industries. Ping He is also the main exporter of x-ray inspecting instruments and ballast (to the United States and Canada) and is involved in two hotel joint ventures with Hong Kong (Jin Lang Hotel and Tian Tan Hotel). Ping He can act as agent for any factory or company, but generally imports and exports only second-tier commodities (see p.10). Branch offices are located in Hainan, Shantou and Zhuhai (Guangdong), Yantai (Shandong), and Beijing (Beijing Ping He Industrial Co.).

OVERSEAS ENTERPRISES

Amman Branch (Jordan)

**CATIC Industries, Inc. (CA, US)

**CATIC Industries, Inc. (CT, US
representative office)

CATIC (London, UK representative office)

China United Trading Corp., Aero-Tech
Division GMBH (West Germany
representative office)

CATIC (Japan representative office)

CATIC (France representative office)

CATIC (Kuwait representative office)

CATIC (United Arab Emirates
representative office)South China Aero-Technology (SCAT)
(HK) (joint venture)

CATIC Industrial Ltd. (HK) (JV)

Aircraft Technology Ltd. (HK) (JV)

**See Appendix II for US offices.

BUSINESS DEPARTMENTS

First Business Department Deals with imports and exports of equipment and instruments.

Second Business Department Handles investments.

Third Business Department Deals in imports and exports of foodstuffs, medicine, raw chemical materials, and machinery.

**PING HE ELECTRONICS
COMPANY, LTD.**

Aegis: Everbright Industrial Corporation
(also affiliated with the PLA
General Staff Department
and NDSTIC)

Address: 5A Taipinghu Dongli
Xicheng District
Beijing

OVERSEAS ENTERPRISES

Hong Kong (representative office)

CHINA GREAT WALL INDUSTRY CORPORATION (CGWIC)

Aegis: Ministry of Aeronautics and
Astronautics (MOAA)
Address: 17 Wenchang Lane, Xidan
(or) P.O. Box 847
Beijing
Telex: 22651 CGWIC CN
Phone: 895017, 8311653, 8021202
Cable: GWIC BEIJING
Fax: 8311809

President: Tang Jinan
Vice Presidents: Chen Shouchun
Hai Dingke
Jin Gongxiang
Lin Jingliang
Wu Keli
Xu Jinfu
Yang Liyi
Yu Fusheng

Description: Established in March 1979, CGWIC is one of the trading arms of MOAA. Its main tasks include the research, design, manufacture, and marketing of special machinery, electronic instruments, and some civilian products (e.g. chemical products, household electrical appliances, medical equipment) for approximately 250 factories and institutes. CGWIC operates as either procurer or producer of precision machinery, equipment and tools, electromechanical products, special vehicles (e.g. ditch-diggers and heavy-duty truck chassis), broadcasting equipment, and other electronic products, instruments and meters, magnetic materials; and can undertake joint ventures, cooperative ventures, processing/assembly, and compensation trade.

CGWIC oversees approximately 250 production facilities and has about 120,000 employees. It also signs contracts on behalf of Beijing Wanyuan Industry Company and the Lishan Microelectronics Corporation--two other companies under MOAA.

CGWIC also markets commercial satellite launch services to foreign clients and established a Space Division in July 1986 to handle negotiations of commercial satellite launching for foreign clients.

Branch offices are located in Dalian (Liaoning), Guangzhou (Guangdong), Jinan (Shandong), Shanghai, and Chongqing (Sichuan).

BUSINESS DEPARTMENTS

Development and Marketing Department
In charge of holding exhibitions in China and overseas.

Import and Export Department Handles all CGWIC imports and exports.

No. 1 Space Department Handles negotiations of commercial rocket launching services with foreign clients.

No. 2 Space Department Handles negotiations of commercial satellite launching with foreign clients.

Labor and Projects Department Handles overseas labor export projects.

OTHER AFFILIATED ORGANIZATIONS

China Satellite Launch and TT & C
General (CLTC)

Beijing Wan Yuan Industry Co.

Shanghai Bureau of Astronautics

Chinese Academy of Space Technology
(CAST)

OVERSEAS ENTERPRISES

West Germany

Hong Kong

**China United Trading Corp., Great Wall
Division (CA, US representative office)

**See Appendix II for US office.

CHINA JING AN MATERIALS AND EQUIPMENT IMPORT/EXPORT CORPORATION

Aegis: Ministry of Public Security
Address: 3 Xitangzi Lane
 Wangfujing Bei Dajie
 Beijing
Telex: 210020 CJIMC CN
Phone: 551560, 550226
Cable: CJAEIE BEIJING
Fax: 5121360

President: Liu Zhaoxiang
Vice Presidents: Yin Guishan

Description: Established in August 1984. The China Jingan Materials and Equipment Import/Export Corporation is one of three companies under the Jingan Group. (The other two are the China Jingan Equipment and Materials Corporation for domestic business only and the China Beiguang Audio-Video Artistic Corporation.) Jingan is the only government-authorized police equipment dealer. Its products come from factories under the supervision of the Ministry of Public Security, six of which it oversees directly.

Jingan handles the import and export of police and public security equipment such as instruments for criminal detection and investigation, security devices, fire-fighting equipment, and equipment for traffic safety; physical, chemical, and biological analysis and examination instruments; police vehicles and fire engines. The corporation also processes supplied material, enters into cooperative and compensation trade arrangements, and provides consulting services.

Branch offices are located in Tianjin, Shenyang and Dalian (Liaoning), Zhuhai (Guangdong), and Xiamen (Fujian).

BUSINESS DEPARTMENTS

No. 1 Export Department Handles exports of standard police weapons (e.g. pistols, automatic rifles, submachine guns, bullets, knife pistols) and used rifles and pistols.

No. 2 Export Department Handles exports of police tools and instruments (including electric shock batons, tear gas bombs, handcuffs, steel helmets, binoculars, telescopes, metal and weapon detectors, x-ray inspection units, dark-light television cameras, and car sirens).

No. 3 Export Department Handles exports of firefighting equipment (including fire extinguishers, chemicals for extinguishing fires, fire pumps, indoor and outdoor fire hydrants, hoses, and ladders).

No. 4 Export Department Handles exports of civilian products including light industrial machinery and electronic products.

Import Department Handles imports of communications and telecommunications equipment.

OVERSEAS ENTERPRISES

Chaining Development Ltd. (HK)
 Detroit, US (representative office)
 Thailand (representative office)

CHINA PRECISION MACHINERY IMPORT/EXPORT CORPORATION (CPMIEC)

Aegis: Ministry of Aeronautics and
 Astronautics
Address: 17 Wenchang Hutong
 Beijing
Telex: 22484 CPMC CN
Phone: 8311657, 8312195, 890651
Cable: CPMIE BEIJING
Fax: 8311657

President: Zhang Tong
Vice Presidents: Han Yumin
 Shen Rengui
 Zhang Zhenlin

Description: Established in 1980, CPMIEC is responsible for the development, production, and export of defensive tactical missile weapon systems (anti-ship cruise missiles, shipboard anti-air missiles, anti-submarine missiles, air-launched anti-ship missiles, surface-to-surface anti-ship missiles, submarine-launched ballistic missiles, intermediate range ballistic missiles, and intercontinental ballistic missiles; precision machinery (robots, cutting machines, injection molders, coal mine gallery excavators, trench-digging machines, etc.); precision instruments and equipment (computers, facsimiles, desk-top scanning electron microscopes, closed-circuit color television systems, seismographs, positive arc machines, cells and batteries, etc.); precision tools and measuring instruments (calipers, saw blades spray guns and cans, screw ring gauges, cutting tools, rotating files, ratchets, etc.); medical apparatus (electronic stethoscope, gamma camera, blood rheometer, paraffin section-cutting machine, universal operation table, etc.); vehicles (snowmobiles, large-size chassis, trucks, fork lifts, refrigerated trucks, stackers, etc.); satellite receiving antennae, household electrical appliances, and miscellaneous products. CPMIEC also undertakes engineering and design projects, joint venture projects, compensation trade, and processes supplied materials according to samples. CPMIEC has approximately 200 factories under its jurisdiction.

Branch offices are located in Tianjin and Shenzhen and branch offices will soon be set up in Shantou (Guangdong) and Xiamen and Fuzhou (Fujian). Branch offices are closely affiliated with the head office, but can independently import and export.

BUSINESS DEPARTMENTS

First Export Department Handles exports of defense products.

Second Export Department Handles exports of defense products.

Third Export Department Handles exports of civilian products.

Import Department Handles imports of special equipment, special vehicles, precision machinery, medical equipment, and electrical products.

Technology Development Department

Branches and Overseas Offices Department

Engineering Department

OVERSEAS ENTERPRISES

New York, NY

West Germany

CHINA NORTH INDUSTRIES CORPORATION (NORINCO)

Aegis: China North Industries Group Corporation, Ministry of Machinery and Electronics Industry

Address: 7A Yuetan Nanjie
(or) P.O. Box 2137
Beijing

Telex: 22339 CNIC CN

Phone: 8012244, 867840, 863392

Cable: NORINCO BEIJING

Fax: 867840

President: Zhou Peide

Vice Presidents: Huang Ruzhen
Lu Junqiang
Lu Zhongying
Luo Bingshen
Wu Huanhua
Xie Chengjiu
Yang Wenruo
Zhao Jiazheng

Description: Established in 1973 as China North Industries Corporation; made public in 1979. In July 1988, 13 of NORINCO's military industrial enterprises were handed over

to the Shoudu Iron and Steel Company, which will eventually be formed into a large machinery and engineering company. In September 1988, NORINCO was made one of several organizations under the China North Industries Group Corporation, which also includes the Yanxing Corporation (which markets defense factory civilian goods in China), a weaponry research institute, Materials Corporation, and munitions factories. This new Group functions as the former Ministry of Ordnance Industry which was responsible for manufacturing vehicles and weapons systems for the Chinese army.

One of China's largest defense conglomerates, NORINCO imports, exports, and manufactures a wide variety of products including military products (arms and weapons, tanks and armored vehicles, small arms, ammunition, etc.); chemical products (organic and inorganic chemical material and products, plastic products, paints and coatings, civil blasting materials, etc.); mechanical products (automobiles and power engines, drilling equipment, construction engineering machinery and material, power supply units and generators, fire-extinguishing equipment and materials, civil firearms and ammunition, cutting tools and gauges, etc.); light industrial products (refrigerators and washing machines, electric fans, motorcycles and bicycles, industrial and civil sewing machines, water and electric meters, etc.); and optoelectronic products (photographic equipment, infrared and laser instruments, binoculars and glasses, special computers, medical appliances, night vision equipment, optical measuring and processing equipment and instruments, etc.).

NORINCO also accepts contracts for processing materials and installing supplied parts and engages in construction engineering projects; is involved in compensation trade and joint ventures; is interested in investing overseas; undertakes business design and technical consulting; and imports and exports new technology. Civilian production now accounts for 50 percent of NORINCO's total output value.

NORINCO has eight branch offices located in Shenzhen and Guangzhou (Guangdong), Shanghai, Dalian (Liaoning), Tianjin, and Xiamen (Fujian), 20 overseas offices, and more than 60 subsidiaries worldwide.

BUSINESS DEPARTMENTS

Middle East Business Department

North Africa and Gulf Region Department

Asia-Pacific Region Department

Africa Department

Latin America Department

North America Department

Europe Department

Middle East Business Department

OVERSEAS ENTERPRISES

Rex International Development Co., Ltd.
(HK)

**Beta First, Inc. (CA, US)

**China United Trading Corp., North
Industries Division (NY, US representative
office)

**See Appendix II for US offices.

POLY TECHNOLOGIES, INC. (POLY)

Agents: China International Trust and
Investment Corporation
(administrative) and PLA
General Staff Department,
Equipment Division (business)

Address: 5th Floor, CITIC Building
19 Jianguomenwai Dajie
Beijing

Telex: 22010 POLY CN

Phone: 5003344

Fax: 5004484

President: He Ping
Vice Presidents: Wang Xiaochao
 Xie Datong

Description: Established in July 1984. POLY functions as a procurement arm of the PLA, General Staff Department, Equipment Division. POLY specializes in the import and export of defense products, specialized technology, vehicles, telecommunications and radar equipment, special purpose instruments and machinery, and chemical industrial machinery.

POLY handles sales and purchases on a government-to-government basis and maintains contacts worldwide through Chinese military attaches in foreign embassies.

BUSINESS DEPARTMENTS

Import Department

Export Department

Development Department

CHINA XIAOFENG TECHNOLOGY AND EQUIPMENT CORPORATION

Aegis: National Defense Science,
Technology, and Industry
Commission (NDSTIC) (aka
Commission on Science,
Technology, and Industry for
National Defense, COSTIND)
Address: 92 Dong Zhimennei Dajie
(or) P.O. Box 1123
Beijing
Telex: 22499 CIFEK CN
Phone: 4016668
Fax: 4015058

President: Yang Shaojing
Vice President: Qi Ziqing

Description: Established in January 1981. On NDSTIC's behalf, Xiaofeng imports computers, instruments, and components for scientific research and undertakes technical consulting and servicing including testing, training, and maintenance. Xiaofeng also sponsors exhibitions; is involved in technology exchange; and processes and assembles supplied materials.

CHINA XINSHIDAI UNITED TRADE CORPORATION (XSDCO)

Aegis: National Defense Science,
Technology, and Industry
Commission (NDSTIC) (aka
Commission of Science,
Technology and Industry for
National Defense or COSTIND)
Address: P.O. Box 1092, Xidan
Beijing
Telex: 22338 XSDCO CN
Phone: 6734694

President: Li Xiaolin
Vice President: Li Gong

Description: Established in 1980 as the commercial arm of NDSTIC, where many of XSDCO's key cadres also hold key positions. XSDCO coordinates purchases by China's defense ministries and corporations, including China National Aero-Technology Import/Export Corporation, China Electronics Import/Export Corporation, China North Industries Corporation, China Precision Machinery Import/Export Corporation, China Scientific Instruments and Materials Corporation, China State Shipbuilding Corporation, Great Wall Industry Corporation, and China Nuclear Energy Industry Corporation. Xinshidai also engages directly in the import and export of aircraft products, electronics, ships, vehicles, general and preci-

sion machinery, chemical products, and light industrial products; provides maintenance services, supplies, and spare parts; and does consulting work.

BUSINESS DEPARTMENTS

(At press time the business departments were undergoing reorganization.)

OVERSEAS ENTERPRISES

XSDCO is represented through the overseas office of the Chinese companies through which it coordinates purchases.

CHINA (NATIONAL) XINXING CORPORATION (CXXC)

Aegis: PLA, General Logistics Department
Address: Shousong Hotel, Wanshou Lu
 Beijing
Telex: 22062 CXXC CN
Phone: 8212693, 8212694
Cable: 3298 BEIJING
Fax: 8212694

President: Zhang Zhuqiao
Vice Presidents: Gong Jinghai
 Liu Cong
 Teng Hongjie

Description: Established in June 1984, CXXC oversees and coordinates the economic activities of a number of factories (3000), farms and ranches (2000), hospitals, universities, and scientific research institutes (8000) attached to the PLA.

Principal exports include non-ordnance military goods such as spare parts, equipment and appliances, uniforms, shoes, caps, tents, and cooking utensils; machinery, tools, instruments, and meters; agricultural goods; pharmaceuticals; metal and mineral products; chemicals; textiles; and light in-

dustrial goods. CXXC keeps 100 percent of foreign currency earnings from military goods and 25 percent of the earnings from other goods. All exports are produced by factories affiliated with the corporation.

Principal imports (for army-controlled enterprises and units) include advanced technology, engineering and medical equipment; agriculture and construction machinery, computers and their peripheral equipment; instruments, machine parts, and raw materials.

Principal exports include military supplies, machinery, tools, instruments, meters, cereals, oils, foodstuffs, native produce and animal byproducts, medicines, health products, metals, minerals, chemicals, light industrial products, textiles, and new products developed through scientific research and technology.

In addition CXXC handles processing and assembling of customer-supplied materials and parts from samples and drawings; contracts for labor services abroad; and enters into joint ventures, compensation trade, and coproduction agreements. It has set up five tourist hotels and five more are under construction. Branch corporations are located in Dalian (Liaoning), Tianjin, Shanghai, Qingdao (Shandong), Xiamen (Fujian), Shenzhen (Guangdong), Haikou (Hainan), Cangzhou (Hebei), and Beijing. There are also many agencies located nationwide wherever the PLA is stationed. All branch offices are under the control of the head office.

CXXC has the authority to sign contracts up to \$5 million without MOFERT approval.

CXXC also owns real estate throughout China, as well as communications and transport networks, infrastructure installations, warehouses, and piers.

BUSINESS DEPARTMENTS

Import and Export Department
 Project Development Department
 Minerals Management Department
 Construction Department